M e m o r a n d u m

To: Department of Technology Services Customers   **Date:** July 1, 2006
           All Information Technology Processing Managers

From: Department of Technology Services

Subject: Revisions to Billing Rates for July 2006

The Department of Technology Services (DTS) is pleased to announce rate changes that will become effective July 1, 2006. These key rate changes represent the first service areas to be realigned and merged to provide our customers a common rate structure. The DTS will continue to identify common services and work toward a common rate structure. The overall goals are to:

- Align the rates for common services.
- Eliminate rates where possible in an effort to simplify the cost recovery model for DTS customers.
- Reduce the overall costs to DTS customers.

The net impact of this rate package will reduce rates and revenues by approximately **$16.3 million** over 12 months.

The following is a summary of key changes, effective on July 1, 2006:

- **CPU:** A decrease of 10%, reducing the current rate of $1,547.00/hour* to $1,392.00 for all DTS MVS/OS390/ZOS mainframe customers.

- **Remote Output:** The DTS rates of $.05/page/image weekday and $.04 on weekends for remote output data transferred will be eliminated. The service will continue to be provided and costs recovered with the CPU rate. This change impacts Gold Camp customers only.

- **Mainframe Disk Storage:** The new mainframe disk storage rate will be $0.8667/gigabyte/day for all DTS customers. The Cannery Campus will change its billing metric from gigabyte/month to gigabyte/day with daily DASD scans as opposed to once per month. This rate adjustment is an increase and is equivalent to $26.00 from the current rate of $18.35/gigabyte/month at the Cannery Campus; however, this increase is offset by the elimination of "Disk Device Connect Time." (See below.) The HSM Level 2 DASD rate will be similarly reduced to $.5932/gigabyte/day.

  Gold Camp will change its Disk Storage billing metric from megabyte/day to gigabyte/day. The effect to Gold Camp published rates is a 61% decrease (a rate reduction from $.0022/megabyte/day to $.00087/megabyte/day) or $.8667/gigabyte/day for a 30-day month. Gold Camp will eliminate the current array of MVS/OS390/ZOS disk storage rates to simplify billing.

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* Based on normalization to an IBM 2064-116 model rated at 8,117.7067 SUs per second.

- **ADABAS Disk Storage:** The DTS ADABAS monthly disk storage rate will also be $26.00/gigabyte/month. This rate is currently $18.35/gigabyte/month at Cannery and $0.0651/megabyte/month (or $65.10/gigabyte/month) at Gold Camp.

- **Disk Device Connect Time:** The rate of $0.014/second will be eliminated from the DTS rate schedule. This applies to Cannery customers only.

- **Tape Storage:** The Tape Storage monthly rate will be $1.00/tape/month for all DTS customers, a change from $0.51 at the Cannery and $0.70 at Gold Camp.

- **Tape to DASD Redirect:** Rates at Gold Camp will be collapsed from three rates depending on dataset size to a single rate of $0.0046/dataset/day.

- **Offsite Tape Storage:** The Cannery is adopting a rate of $1.55/tape/month for offsite tape storage. The current rate is $1.38 at Cannery; Gold Camp will review its current chargeback methodology for offsite tape storage and align rates mid-year FY 06/07.

- **Tape Device Connect Time:** The Tape Device Connect Time rate of $0.029/second will be eliminated. The change affects Cannery customers only.

- **Store Outside Tape/Disk:** The monthly storage rate of $3.50/month at Gold Camp for customer-owned tape or disk media will be eliminated. A customer-owned tape or disk that customers may need to process at DTS will be returned to the customer after a maximum of 60 days.

DTS Gold Camp will revise/eliminate the following Services Rates:
- **Non-TMS Tape Handling/Verification:** The $22.50/container handling rate will be eliminated.
- **Tape Cleaning:** The $3.00/tape cleaned rate will be eliminated.
- **Tape Evaluation/Clean:** The $6.00/tape evaluation and cleaning rate will be eliminated.
- **Tape Initialization:** The $3.00 rate/tape initialized will be eliminated.
- **Tape Copies and Data Set Restores:** The $20.00/tape copy and the $5.00/dataset restore rates will be eliminated. The customer's account code will continue to be used in the jobs which are used for restores or copies. Large restore requests requiring large amounts of old data and significant staff time will also be charged consulting rates.

- **VM Services (Gold Camp only):** The DTS VM rates and utilization will be collapsed into two rates for an overall VM cost reduction of approximately 24% in overall revenues. These rates will no longer appear on the DTS website rates page as the service is not a part of the long-range DTS business direction. VM services will continue to be offered to current customers.
  - ➢ **VM CPU:** Change existing rate of $510.00/hour to $1,400.00/ hour. This will recover expenditures and account for merging and elimination of the other VM rates.
  - ➢ **Disk Storage:** $.0020/megabyte/day, reduced from the current rate of $.0026/megabyte/day.
  - ➢ **Eliminate VM Rates for:** Connect Time, Start I/Os, Temporary Disk Space, RSCS records sent and VM Shared File System Space.

- **Administrative Fee:** The administrative fee for all direct pass-through costs will be 5% for all DTS customers up to a maximum fee of $10,000 for any single procurement. The 5% fee consists of the Department of General Services' (DGS) processing fees of 2.48% plus 2.52% to recover DTS Administrative/Procurement staff costs, totaling a 5% administrative fee. This will be extended to **all** pass-through costs for hardware, software, or any other DTS procurement made for customer departments, and is subject to change based upon the DGS' Price Book.

- **Consulting Rates:** Existing published rates will be standardized for DTS. Rates will range as follows:
  - Certified Level--$115/hour
  - Staff/Senior Level--$90/hour
  - Associate Level--$75/hour

- **Solaris Server:** The monthly per processor component will be changed to per processor **core** and the rate per processor core will be $150 per month.

- **AIX Application Hosting:** The AIX Application Hosting monthly rates will be updated as follows:

(Rate/Month)	Tier 1 1 Processor Core	Tier II 2 Processor Cores	Tier III 4 or 6 Processor Cores	Tier IV 8+ Processor Cores
Base System	$2,480	$4,320	$7,990	$15,330
Processor Core	$290	$290	$290	$290
Memory (per GB)	$75	$75	$75	$75
One-Time Setup	$460	$460	$460	$460

AIX/Solaris Disk Storage:

(Rate/Month)	Tiers I-IV
Basic Storage** (JBOD, RAID0)	$15.00/gigabyte
RAID5 Storage	$18.35/gigabyte
Mirrored Storage (RAID1)	$25.00/gigabyte

** Not available for database storage.

- **Wintel Server Rates:** The Wintel Application monthly hosting rates will be updated as follows:

(Rate/Month)	Tier I Windows Standard Server 2 Processors (2-Core Processor) 2 GB Memory 60 GB Storage	Tier II Windows Standard Server 4 Processors (2-Core Processor) 4 GB Memory 60 GB Storage
Base System	$1,630	$2,070
Additional Memory (per GB)	$29	$29
Additional 36GB Storage	$16	$16
Windows Enterprise Edition*	$47	$47
One-Time Setup	$460	$460

*Required with more than 4GB Memory

- **Shared Web Hosting:** The Shared Internet Hosting rates will be revised as follows:
  - One-time setup fee of $500/web instance.
  - Tier I: Shared Web Hosting Service – The monthly rate of $75/website, includes: shared server, 1 domain name registration, 1 FTP userID, up to 20 megabytes of storage and 200 megabytes of data transmission.
  - Tier II: Shared Web Hosting Service – The monthly rate of $193/website, includes shared server, 1 domain name registration, 1 FTP userID, 20 to 250 megabytes of storage and 200 megabytes to 10 gigabytes of data transmission.
    - **Tier II add-ons**:
      - Additional 75 MB storage $25/month
      - Additional 1 GB data transfer $13/month
      - Additional Domain Name registration $10

- **Midrange Database Server Licenses:** All database licenses (DB2, Oracle, etc.) and maintenance costs will be billed as a direct pass-through cost to customers, upon contract renewal. The billing for the license will be a one-time charge, with subsequent maintenance following; both with a 5% administrative fee (up to the maximum fee of $10,000).

  The monthly staff support rate will be $1,230.60/server. The monthly staff support for SQL is $410.20/server.

The following new services are also under review and will have published rates by mid-year during Fiscal Year 2006/2007:

- **Exchange:** The State-wide service, currently under review, will provide customers with e-mail and related messaging services that are reliable and secure. The DTS is evaluating options to encourage and motivate customers to move to the DTS State-wide offering and away from fragmented and sometime incompatible systems. As part of the evaluation, DTS will identify and implement features needed to make a viable State-wide e-mail service offering.

- **Server Based Computing Service (SBCS):** This new offering for DTS customers will include the hosting, management and maintenance of end-user applications on centralized server farms co-located with back-end services such as: file, print, database and e-mail in lieu of maintaining the software programs on each user's desktop. DTS clients would access these centralized applications via a web browser utilizing SSL and ICA encryption in conjunction with two-factor authentication to provide a secure enterprise transport layer.

The following published rates will be removed from the DTS Rate Schedule, as they are no longer a part of the long-term business direction of DTS. Customers utilizing these services will be encouraged, over time, to newer and more effective IT solutions for these applications:

- VM platform rates
- Teradata rates
- Unisys platform rates
- Human Resources Information System (HRIS)

For more information on DTS rate setting strategies and guiding principles, please see the following websites: http://www.dts.ca.gov/tsb/pdf/unification_of_rates.pdf and http://www.dts.ca.gov/tsb/pdf/rate_guiding.pdf . To view a copy of the DTS Billing Rates schedule, please visit the DTS web site at: http://www.dts.ca.gov. If you have any questions, please contact Colleen Field at (916) 464-0997 (CALNET 433-0997) or Natividad Nevarez at (916) 739-7683.

DTS values your continuing support and welcomes your suggestions.

P.K. Agarwal, Director
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